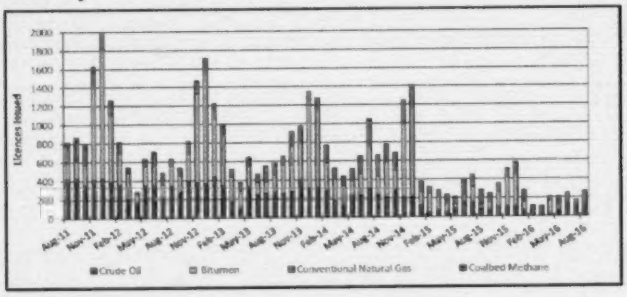
October 2016 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 266 well licenses in August 2016, down 6% from the 282 well licences issued in August 2015.

There were 120 licences issued for crude oil in August 2016, up 48% from the 81 crude oil licences issued in August 2015.

80% of the crude oil licences issued in August 2016 were for horizontal wells.

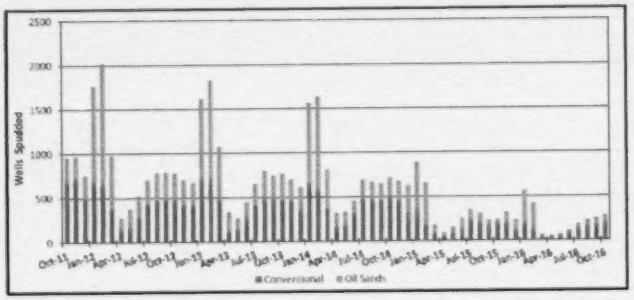
There were 121 natural gas well licenses (excluding CBM) issued in August 2016, 24% less compared to the 159 licences reported in August 2015.

97% of natural gas well licenses issued in August 2016 were for horizontal wells.

AUGUST 2016			
Licenced Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	117	43%
	Vertical/Direct	4	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	96	24%
	Vertical/Direct	24	
Bitumen	Horizontal	15	33%
	Vertical/Direct	10	
	Evaluation	-	
Total		266	100%

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



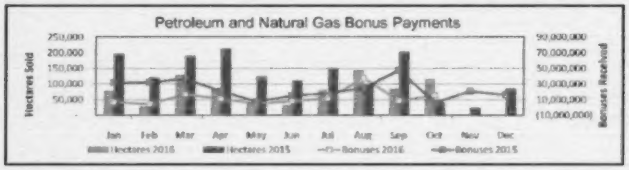
With a total of 284 spuds for the month of October 2016 activity has increased 18% as compared to October 2015 when there were 240 spuds.
From January to October 2016, spuds for conventional wells are down 29% while oil sands spuds are also down 38% as compared to the same period in 2015.

Note: Data for the most recent month is only partially complete. Therefore, October data includes the most current complete results.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Conventional	760	707	532	110	181	339	576	680	690	678	702	484	**6,439**
	Oil Sands	1052	1296	786	131	153	186	236	288	329	277	272	273	**5,279**
2012	Conventional	689	648	371	135	169	278	430	467	481	475	423	412	**4,978**
	Oil Sands	1076	1374	609	141	206	241	274	318	303	307	284	263	**5,396**
2013	Conventional	703	700	471	112	137	266	412	485	480	476	458	346	**5,046**
	Oil Sands	913	1126	600	227	133	186	243	316	267	289	248	273	**4,829**
2014	Conventional	647	577	362	161	171	318	472	463	452	493	447	319	**4,882**
	Oil Sands	915	1059	450	159	164	141	226	210	193	223	229	307	**4,276**
2015	Conventional	350	185	74	52	77	141	237	212	164	191	188	124	**1,995**
	Oil Sands	537	466	108	43	76	114	115	104	70	49	133	105	**1,920**
2016	Conventional	187	129	31	38	49	91	145	157	171	196	76		**1,270**
	Oil Sands	381	290	37	11	16	18	44	75	82	88	23		**1,065**

Source: Alberta Energy Regulator

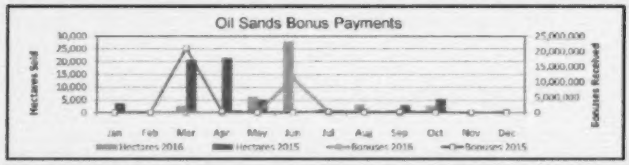
Petroleum & Natural Gas & Oil Sands Land Sales



Bonuses received from the petroleum and natural gas land sales held in October 2016 were about $15.6 million with an average price per hectare of $134.61.

In October 2016, bonuses received from oil sands sales were $196 thousand with an average price per hectare of $71.38.

Between January and October 2016, Alberta received a total of $138.1 million from the sales of about 882 thousand hectares of land, compared to about $262.5 million received on the sales of about 1.5 million hectares during the same period in 2015.



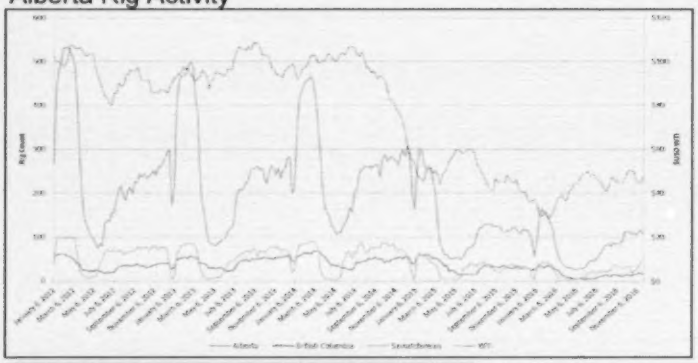
Average crown land prices between January to October have decreased from $174.18/hectare in 2015 to $160.25/hectare in 2016.

Petroleum and Natural Gas Rights	Oct-16	Oct-15	YTD 2016	YTD 2015
Bonuses	$15,560,917.01	$8,053,878.40	$126,295,332.35	$239,733,937.21
Hectares	115,604	41,464	817,485	1,445,759
Average Price per Hectare (Cdn$)	$134.61	$146.00	$154.49	$165.82

Oil Sands Rights	Oct-16	Oct-15	YTD 2016	YTD 2015
Bonuses	$196,440.96	$148,958.96	$11,779,836.31	$22,767,373.43
Hectares	2,752	5,376	44,153	61,285
Average Price per Hectare (Cdn$)	$71.38	$27.71	$266.80	$371.50

Source: Alberta Energy

Alberta Rig Activity



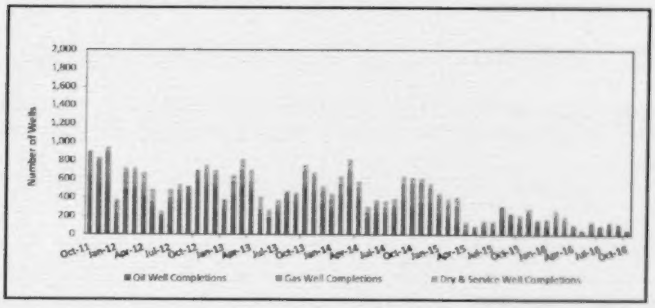
Canadian Drilling	Drilling November 25, 2016	Up or Down Compared to the Previous Week	WTI ($/bbl)
Alberta	108	-5	$ 47.14
Saskatchewan	44	-1	
British Columbia	16	-2	
Canada	174	-10	

Source: Baker Hughes

Rig activity in Alberta fell to 108 for the week of November 25th, 2016 and is 11 (9%) lower than last year.
In Canada the number of rigs drilling decreased by 10 to 174 for the week of November 25th, 2016 and is 10 (5%) lower than a year ago.
Oil directed rig count decreased by 6 to 94 rigs and is 13 (16%) higher than last year.
Gas directed rig count was down 6 at 74 and is 25 rigs (24%) lower than last year.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

Alberta Well Completions



There were a total of 51 wells completed in October 2016, down about 76% from 215 wells completed in October 2015.

Compared to January - October 2015, oil completions are down 57% and gas completions are down 35% for the same period in 2016.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	**5,798**
	Gas Wells	145	294	974	472	196	124	43	183	358	289	243	209	**3,588**
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	**1,223**
2012	Oil Wells	215	489	516	405	296	205	348	300	447	568	533	523	**4,945**
	Gas Wells	131	181	146	141	62	12	48	98	66	81	137	110	**1,210**
	Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	**760**
2013	Oil Wells	313	449	544	481	235	179	263	394	357	528	483	333	**4,534**
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	**1,117**
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	**757**
2014	Oil Wells	280	427	520	418	188	240	245	257	399	314	354	348	**3,990**
	Gas Wells	105	119	166	94	54	94	52	63	154	239	197	161	**1,498**
	Dry & Service	57	80	126	62	63	45	70	69	85	65	62	47	**826**
2015	Oil Wells	239	194	147	57	34	75	80	189	154	113	152	89	**1,523**
	Gas Wells	166	134	166	52	42	45	44	108	85	75	93	63	**1,053**
	Dry & Service	46	60	94	32	25	31	21	13	15	27	40	11	**415**
2016	Oil Wells	88	106	43	30	11	48	46	87	64	27			**550**
	Gas Wells	55	90	106	69	29	75	47	35	47	20			**573**
	Dry & Service	29	64	51	14	11	21	10	17	15	4			**236**

Source: JuneWarren-Nickle's Energy Group